

**Housing Authority - County of Los Angeles**

May 15, 2009

To: Each Supervisor

From: Corde D. Carrillo, Acting Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

**Board Directives**

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

**Corrective Action Plan (CAP) for FYE 2007**

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HACoLA is awaiting approval of the remaining strategies to remove the Section 8 program from its "Troubled" status rating.

**Reexaminations**

As of May 12, 2009, the HACoLA internal tracking system (Yardi) reflects 3,640 delinquent reexaminations out of 15,464 reexaminations, based on reexaminations that were due within 12 months from that point in time. The 3,640 delinquencies consist of 2,246 reexaminations to be completed by HACoLA and 1,394 to be completed by McKay Management Services.

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

We would like to point out that there is a variance between the May 6, 2009 report sent to your Board last week and the attached May 12<sup>th</sup> Report. This is due to 54

recertifications which were credited to McKay Management Services (McKay), but actually completed by HACoLA in April 2009. McKay's contract became effective on April 7, 2009.

From April 1, through May 12, 2009, HACoLA staff completed 2391 annual reexaminations. McKay Management completed 348 annual reexaminations during its first month. HACoLA trained McKay staff on HACoLA computer systems, including Yardi, Laserfiche, Rentellect, LEADER, etc. McKay Management Services hired staff, set up a toll-free number to assist HACoLA clients 24 hours a day, mailed out 3,287 annual reexamination packets to clients for June and July 2009, and contacted families who failed to return their reexamination packets, and researched packets that were returned undeliverable.

As of April 30, 2009, the HUD Public Housing Information Center (PIC) reflects 1,239 delinquent reexaminations out of 18,467 active contracts in the system based on a 14 month cycle. The 18,467 reflects all active contracts in the system, regardless of whether a reexamination is due or not.

#### **OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006**

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, the repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment for \$83,333.33 was issued by April 30, 2009.

#### **HUD OIG Financial Audit for Fiscal Years 2005 and 2006**

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on 4/24/09. The report recommended that the Director of HUD's Los Angeles Office of Public Housing (PIH) require HACoLA to repay the Section 8 program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009 recommending that HACoLA repay the Section 8 Program \$2,953,443 from nonfederal funds for over-allocations that were charged to the program. HACoLA's response is due May 29, 2009.

HACoLA will request Board approval to repay the Section 8 Program this amount.

#### **Corrective Action Plan (CAP) for FYE 2006**

All CAP items for FYE 2006 have been closed. A member of the Housing Commission Advisory Board who had not completed the Housing Choice Voucher Program training resigned. No further action is required.

#### **Family Self-Sufficiency (FSS) Program Status**

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 753 families because 29 of the original 782

families have graduated from the program. We are not required to replace the 29 families. Our internal reporting rate reflects 464 families enrolled out of 753 (61.6% rate), with 152 families (32.8% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

### **VASH**

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has referred ten clients to the VASH Program in the City of Los Angeles and the City of Long Beach; two were accepted. HACoLA has provided DMVA with 25 Section 8 Homeless Set-Aside Program vouchers from HACoLA, in addition to the previous 50.

### **Section 8 Call Center**

The call center averaged 2,175 calls per week and 8,700 total calls for the period of April 14 through May 12, 2009. The average wait time was 2 minute, 5 seconds.

For a 28-day period between April 13 and May 11, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,033 total listings; there were 5,562 landlords who provided property listings, and 135,545 housing searches were conducted.

Please contact me at (323) 890-7400 if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer  
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors  
Each Deputy

Attachment



	Calendar Month	Prior to April	Apr-09	May-09	Jun-09	Jul-09
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McKay Management									
Anniversary Month	Total Due	Pending		Completed					Totals
June	1,731	1,394	80.53%	N/A	109	228			337
July	1,527	1,516	99.28%	N/A	10	1			11
August	2,160	2,160	100.00%	N/A					
September									
<b>Total</b>	<b>5,418</b>	<b>5,070</b>	<b>93.58%</b>	<b>N/A</b>	<b>119</b>	<b>229</b>	<b>0</b>	<b>0</b>	<b>348</b>

Anniversary Month	Total Due	Pending	Completed	Totals
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September-08	1,464	94	6.42%	1,327	34	9			1,370
October-08	1,538	124	8.06%	1,336	47	31			1,414
November-08	1,489	153	10.28%	1,260	55	21			1,336
December-08	1,465	128	8.74%	1,304	24	9			1,337
January	1,346	164	12.18%	1,091	58	33			1,182
February	1,403	236	16.82%	1,031	103	33			1,167
March	1,307	223	17.06%	835	202	47			1,084
April	1,581	328	20.75%	709	421	123			1,253
May	2,140	796	37.20%	203	841	300			1,344
<b>Total</b>	<b>13,733</b>	<b>2,246</b>	<b>16.35%</b>	<b>9,096</b>	<b>1,785</b>	<b>606</b>	<b>0</b>	<b>0</b>	<b>11,487</b>

Total Since April	2,391
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<b>September 2009</b>	Recertification packets have not been mailed to participants. Packets are scheduled to be mailed May 15, 2009
<b>Anniversary Month</b>	The month in which the recertification is due or 12 months from the previous recertification.
<b>Total Due</b>	The number or goal to be met for each month as of the date of this report; numbers may change due to terminations and participants moving from one unit to another, voiding the need for the recertification.
<b>Pending</b>	The number of recertifications in process (pending receipt or review of documents) as of the date of this report.
<b>Completed</b>	The number of recertifications that have been completed as of the date of this report.
<b>Total Since April</b>	The number of recertifications completed by HACoLA staff since the effective date of the McKay contract.